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THE WHITE HOUSE

WASHINGTON

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October 28, 1981

Dear Senator Baker:

On October 1, 1981, I formally notified the Congress of our intention to sell AWACS aircraft and F-15 enhancement items to Saudi Arabia. This sale will enhance our vital national security interests by contributing directly to the stability and security of the critical area from the Persian Gulf through the Middle East to North Africa. It will improve significantly the capability of Saudi Arabia and the United States to defend the oilfields and facilities on which the security of the Free World depends, and it will pose no realistic threat to Israel.

When this proposed sale was first announced last spring, the Congress expressed concerns about certain aspects of the sale. After analyzing these concerns in detail, we entered into a series of discussions with the Government of Saudi Arabia over the summer.

The Government of Saudi Arabia has agreed, and I am convinced welcomes the fact, that the United States will have an important, long-term role and will maintain direct involvement in the development of the Saudi air defense system, including the AWACS. We also have reached agreement with the Saudi Government on a number of specific arrangements that go well beyond their firm agreement to abide fully by all the standard terms of the normal Letter of Offer and Acceptance as required by the Arms Export Control Act.

Transfer of the AWACS will take place only on terms and conditions consistent with the Act and only after the Congress has received in writing a Presidential certification, containing agreements with Saudi Arabia, that the following conditions have been met:

1. Security of Technology

A. That a detailed plan for the security of equipmen

technology, information, and supporting documentation has been agreed to by the United States and Saudi Arabia and is in place; and

B. The security provisions are no less stringent than measures employed by the U.S. for protection and control of its equipment of like kind outside the continental U.S.; and

C. The U.S. has the right of continual on-site inspection and surveillance by U.S. personnel of security arrangements for all operations during the useful life of the AWACS. It is further provided that security arrangements will be supplemented by additional U.S. personnel if it is deemed necessary by the two parties; and

D. Saudi Arabia will not permit citizens of third nations either to perform maintenance on the AWACS or to modify any such equipment without prior, explicit mutual consent of the two governments; and

E. Computer software, as designated by the U.S. Government, will remain the property of the USG.

2. Access to Information

That Saudi Arabia has agreed to share with the United States continuously and completely the information that it acquires from use of the AWACS.

3. Control Over Third-Country Participation

A. That Saudi Arabia has agreed not to share access to AWACS equipment, technology, documentation, or any information developed from such equipment or technology with any nation other than the U.S. without the prior, explicit mutual consent of both governments; and

B. There are in place adequate and effective procedures requiring the screening and security clearance of citizens of Saudi Arabia and that only cleared Saudi citizens and cleared U.S. nationals will have access to AWACS equipment, technology, or documentation, or information derived therefrom, without the prior, explicit mutual consent of the two governments.

4. AWACS Flight Operations

That the Saudi AWACS will be operated solely within the boundaries of Saudi Arabia, except with the prior, explicit mutual consent of the two governments, and solely for defensive purposes as defined by the United States, in order to maintain security and regional stability.

5. Command Structure

That agreements as they concern organizational command and control structure for the operation of AWACS are of such a nature to guarantee that the commitments above will be honored.

6. Regional Peace and Security

That the sale contributes directly to the stability and security of the area, enhances the atmosphere and prospects for progress toward peace, and that initiatives toward the peaceful resolution of disputes in the region have either been successfully completed or that significant progress toward that goal has been accomplished with the substantial assistance of Saudi Arabia.

The agreements we have reached with Saudi Arabia on security of technology, access to information, control over third-country participation, and AWACS flight operations will be incorporated into the U.S./Saudi General Security of Military Information Agreement, the Letters of Offer and Acceptance (the government-to-government sales contracts), and related documents. These documents will stipulate that the sale will be cancelled and that no equipment or services will be delivered in the event any of the agreements is breached. I will not authorize U.S. approval of any of these contracts and agreements until I am satisfied that they incorporate fully the provisions that satisfy the concerns that you and I share. I do not foresee any need for changes in these arrangements, but should circumstances arise that might require such changes, they would be made only with Congressional participation.

I believe it is important to look beyond these agreements to their practical consequences, and to the implications of U.S. security assistance and training requested by Saudi Arabia. For example, the agreement

we have reached with the Saudi Government to protect the security of equipment also affects the nature, extent, and duration of the U.S. role in the AWACS program. Since skilled Saudi personnel available for this program will remain in short supply, the U.S./Saudi agreement that third-country nationals will not be permitted to operate or maintain the Saudi AWACS will, in practice, extend U.S. involvement in Saudi AWACS operations and activities well into the 1990s. U.S. military and contractor personnel will be required to provide extensive operational training for Saudi AWACS aircrews; it will be 1990 at the earliest before the eight Saudi crews needed to operate all five AWACS aircraft will be trained, and replacement and refresher training of individual Saudi crew members will require USAF Technical Assistance Field Teams during the 1990s. Critical AWACS maintenance, logistics, and support functions, particularly radar and computer software support, will, of necessity, be performed by U.S. personnel in Saudi Arabia and in the United States, for the life of the AWACS.

The Saudi agreement not to share AWACS-gathered information with third countries also has significant practical consequences. This agreement, combined with the standard requirement that U.S.-supplied equipment be used solely for defensive purposes, as well as the agreed-to Saudi AWACS configuration, precludes any possibility that Saudi AWACS could contribute to coordinated operations with other countries' armed forces against any nation in the region without our consent and cooperation.

Concerning the agreement to operate AWACS only inside the Kingdom, it should also be noted that the Saudi Air Force will be trained to operate the AWACS in accordance with standard USAF AWACS doctrine and procedures, which call for AWACS to remain at all times a "safe distance" behind sensitive political borders -- normally 100 to 150 nautical miles -- to ensure AWACS security and survivability. Given the physical location of the oilfields AWACS is to defend, the vulnerability of AWACS should it operate near sensitive borders, and the history of Saudi observance of U.S. Air Force tactical doctrine, we are confident that the Saudis will adopt these practices.

In a broader sense, by enhancing the perception of the United States as a reliable security partner, we

improve the prospects for closer cooperation between ourselves and the Saudi Government in working toward our common goal of a just and lasting peace in the region. Since assuming the responsibilities of the Presidency, I have been impressed by the increasingly constructive policy of Saudi Arabia in advancing the prospects for peace and stability in the Middle East. The Saudi Government's critical contribution to securing a ceasefire in Lebanon is a striking example. I am persuaded that this growing Saudi influence is vital to the eventual settlement of the differences that continue to divide Israel and most of the Arab world.

I am confident that the Saudi AWACS will pose no realistic threat to Israel. I remain fully committed to protecting Israel's security and to preserving Israel's ability to defend against any combination of potentially hostile forces in the region. We will continue to make available to Israel the military equipment it requires to defend its land and people, with due consideration to the presence of AWACS in Saudi Arabia. We have also embarked on a program of closer security cooperation with Israel. This proposed sale to Saudi Arabia neither casts doubt on our commitment, nor compromises Israeli security.

It is my view that the agreements we have reached with the Government of Saudi Arabia take account of the concerns raised by the Congress. I am persuaded, as I believe the Congress will be, that the proposed Saudi air defense enhancement package makes an invaluable contribution to the national security interests of the United States, by improving both our strategic posture and the prospects for peace in the Middle East. I look forward to continuing to work with you toward these vital goals.

Sincerely,

Ronald Reagan

The Honorable Howard H. Baker, Jr.
Majority Leader
United States Senate
Washington, D.C. 20510